

Boost for online trade in wind energy

Words: Stefan Weber, Windsourcing.com GmbH

Online trade is the big winner of the Corona crisis. This also applies to the spare parts and repair market for wind turbines. A Hamburg company, a pioneer in this niche in 2013, is now gaining momentum despite, or because of Corona. Stefan Weber, Founder and Managing Director of Windsourcing.com GmbH, shares his thoughts with PES on how the foundation of a digital trading company came about and how much more importance digitization has gained among the broad masses in the context of the Corona crisis.

I am an Amazon fan. Please do not misunderstand me. It is completely unacceptable not to pay sales tax from Asian suppliers in Germany and to pay little if any company tax at all. No, I am a fan of focusing on the customers and their benefits: the punctual and fast delivery and using the distribution channel Internet. This enthusiasm has driven me already in 2013 when I founded Windsourcing.com. It was clear to me that digitalization does not stop at renewable energies and here the industry and the entire energy industry can learn a lot from Amazon and Co.

Prior to the foundation of the company, I had already been working for many years as external purchaser and consultant for wind farm operators. What was missing was a platform where you could get everything from one source - fast and uncomplicated, like Amazon. Okay, this is about a very special market, a niche. But the spare parts market in the wind industry has also grown to a billion-euro market worldwide over the last 20 years. With the additions made in the last ten to twelve years and various plans around the world, this development will continue and the market will become even more interesting. But how do you serve this high demand, which is quite specific in the details?

Windsourcing.com was and is our answer to

this question. We have dedicated ourselves entirely to the trade and distribution of spare parts and repair materials for wind turbines. We mainly use the internet as a sales and distribution channel.

The reason for our success lies in our constant efforts to make it as easy as possible for our customers to procure what they need to purchase. The key to our success is a comprehensive product portfolio from a variety of suppliers, an uncomplicated ordering process including an online ordering option via our online store and reliable information on delivery times. If we are not able to deliver in a time requested by the customer, we will inform the customer before, not after the order!

We want to serve our customers as fast as online distributors in the B2C sector, which is not unique in the B2B environment, but still an exception. We want to process inquiries and orders promptly; a customer should not wait more than one to two hours for a response. We often wait days, if not weeks, for information from our suppliers.

During the delivery process we also follow standard processes in online trade. If, for example, goods were sent with a parcel service, the customer automatically receives an e-mail with the tracking number and can check the status of the goods delivery independently. This approach has worked very well so far,



Stefan Weber

although the challenges for a new distributor were and still are manifold, especially because we are 'bootstrapped', that means we are built without outside capital and investor money.

Another industrial giant serves as a model for us in meeting this challenge: Toyota. Their principle is to minimize wastage. So, we are also constantly working on optimizing our processes, creating the necessary structures and reducing costs.

How did Windsourcing come about and how did we evolve?

The principle seems to work, if you consider our relatively young company history: We started in 2013 with one or two orders per month. Within a year, we have more than quintupled our product portfolio from 2,300 to over 12,000 items. In 2015, we were able to win two important chemical companies - BASF from Ludwigshafen (today Akzo Nobel) and Sika with headquarters in Baar, Switzerland - as supply partners. These major players and their portfolios play a decisive role, especially in the areas of rotor blade repair and corrosion protection.

One year later, we first offered product training courses for corrosion protection together with Sika Germany, which was very well accepted by our customers. It is not only here, by the way, that we combine the new online business with the strength of the 'old' over-the-counter retail trade, which distinguishes us from anonymous platforms like Amazon: We can always be approached personally, in five languages, either by phone or e-mail. In 2017, our sales rose to over 1 million euros for the first time. Today, we have well over 50,000 products from more than 300 supply partners - and the trend is rising rapidly. We receive a large number of orders daily and already sell to all wind markets in Europe.

In November 2019 and July 2020 respectively, we hired two new employees specifically for the Spanish and French-speaking markets. Outside of Europe, we regularly deliver to Japan and to many other countries. After the data transfer of product information, merchandise management and customer communication were both digital from the very beginning, another important and consistent step was the setup of our B2B online shop in February 2020.

With the launch of the wide-ranging online shop, we were now able to seamlessly transfer the entire information and purchasing process to the digital world.



Online-Shopping for wind turbine spare parts Source: windsourcing/ istock/serts

The corona crisis as accelerator mechanism

Then arrived Corona and the world was in many ways a different one. However, not so in the online business. Covid-19 has massively accelerated the transformation processes that were and are pending anyway, especially in retail, and has cleaned up the market in some areas. Companies that were well positioned online are barely affected by the Corona crisis and are usually even profiting.

The first six months of 2020 were successful for us. We were able to increase our sales compared with the first half of 2019. State aid was not necessary for the company. We were able to add other supply partners, such as coating material manufacturers Bergolin from Osterholz-Scharmbeck in Lower Saxony or Mankiewicz from Hamburg, to our portfolio and further expand our international business.

In June 2020, Windsourcing.com even recorded its strongest month of sales since its foundation. So, the chosen strategy is proving to be far-sighted, particularly in the current situation. It is now becoming even clearer than

before Corona that we are responding to a very large demand on the market with our digital services. Our approach - since the beginning - to offer various products for the wind industry exclusively online, thus making information and goods directly available to customers in many important wind markets worldwide, has proven to be right. We will continue to pursue this path consistently and expand continuing the successful results from the first half of 2020.

So, there is still a lot to do: Plans are underway to expand the product portfolio and intensify relationships with customers and suppliers. For example, we are not yet able to deliver quickly to every destination in Europe, and we want to make improvements, especially in the hazardous goods sector. In addition, we want to use our pioneering position in the market to further promote digitization within the industry. For us, it has once again been confirmed that only a complete digitization of business processes is truly up-to-date and meets the current needs of customers around the globe. Unfortunately, we repeatedly find that only a few companies in the wind industry have fully automated and digitized processes to date, such as automated notification of delivery delays. I would therefore like to encourage all players in the industry to take advantage of the opportunities offered by digital processes. After all, digitized structures play a crucial role if the energy turnaround is to succeed. We all will have to put a lot of effort into these processes, but it is inevitable and necessary.

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